



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

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## Grassley Urges Mexico to Drop Investigation of U.S. Pork

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, has urged the Mexican government to stop an anti-dumping investigation of U.S. pork products. The text of Grassley's letter to the Mexican economic secretary follows.

January 23, 2003

His Excellency Fernando Canales  
Secretary of Economy  
Ministry of Economy  
Alfonso Reyes 30, Floor 10  
Col. Condesa  
Mexico, D.F. 06140

Dear Mr. Secretary:

I am profoundly distressed about the Government of Mexico's recent decision to initiate an antidumping investigation against United States pork exports.

In addition to serving as Chairman of the Senate Finance Committee, which has jurisdiction over all trade issues, I am also a farmer. Moreover, the state I represent in the Senate, Iowa, is the number one hog-producing state in the United States. The pork industry is one of the largest industries in my state. Thus, the decision to initiate an antidumping case on U.S. pork is critically important to my constituents.

Throughout my tenure in the Senate, I fought hard to open markets abroad and ensure that we abide by our international commitments. I know that trade is a two-way street and have long believed that the first obligation of trading partners is to treat one another fairly.

That is why I am so troubled by Mexico's unwarranted antidumping case on United States

pork.

Press reports indicate that the Mexican Administration is under great political pressure from its pork producers to renegotiate its NAFTA obligations relating to pork. In response to this pressure, I have seen statements made by members of your Administration about "correcting" NAFTA deficiencies, and using antidumping and safeguard measures to protect Mexican farmers.

It appears that some members of your Administration yielded to this pressure, and have initiated an antidumping petition that is plagued by deficiencies, most notably suffering from a lack of standing, a lack of prior notification, and other serious impairments.

As a result of these obvious legal deficiencies, I view the initiation of this antidumping case as a blatant misuse of Mexico's antidumping laws for the purpose of rescinding NAFTA concessions made by Mexico to the United States.

It is hard to exaggerate the potential adverse ramifications of Mexico's antidumping action against United States pork. The agriculture sector is the cornerstone of support for trade liberalization in the United States. The U.S. pork industry is among the most vocal and influential pro-trade voices in the United States. The unraveling of the NAFTA, the most visible of all trade agreements among United States farmers and agricultural producers, could seriously undermine support in the United States for future trade initiatives. Furthermore, United States farmers and agricultural producers may demand similar actions against Mexican products. We must avoid going down this path at all costs.

NAFTA clearly has been a great success for farmers and agricultural producers from both sides of the border. It is certainly true that Mexico is a vitally important agricultural export market for the United States. But NAFTA has also benefitted Mexico tremendously, creating many new jobs and generating higher profits for Mexico's farm families. The United States is the largest market for Mexican agricultural exports, absorbing 78 percent of Mexico's farm exports. Many Mexican farmers depend on United States agricultural exports to enhance their productivity. For example, access to United States feed has significantly lowered production costs for Mexico's livestock farmers. Mexican consumers also benefit greatly from NAFTA, getting more high-quality food choices at competitive prices.

Given these realities, we should strive to find ways to affirm and strengthen our NAFTA commitments, rather than yield to the false hope of protectionism.

It is for these reasons that I ask your help in getting Mexico's antidumping investigation on pork terminated without delay. Doing so will benefit both our nations, and help keep the promise and reality of NAFTA and free trade alive for both our people.

Please be assured that I am available to discuss this issue with you, or with members of the Administration. I look forward to your response.

Sincerely,

Charles E. Grassley

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